

DEPARTMENT OF STATE REVENUE

LETTER OF FINDINGS NUMBER: 00-0042P

Use Tax

Calendar Years 1996, 1997, and 1998

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ISSUE(S)

I. **Tax Administration** – Penalty

Authority: IC 6-8.1-10-2.1(d); 45 IAC 15-11-2

Taxpayer protests the penalty assessed.

STATEMENT OF FACTS

Taxpayer was audited for calendar years 1996, 1997, and 1998. Upon audit it was discovered that the taxpayer failed to self assess use tax on clearly taxable items and had no use tax accrual system in place. Taxpayer had two divisions in Indiana that were sold in 1998.

I. **Tax Administration** – Penalty

DISCUSSION

At issue is whether the taxpayer was negligent when it failed to remit use tax due.

Taxpayer states that the penalty is inappropriate since no further compliance would be required to be filed with the State of Indiana.

The audit, however, indicates the taxpayer failed to self-assess use tax for clearly taxable items and no use tax accrual system was in place. Taxpayer did not file its ST 103 throughout the audit period.

Taxpayer has not provided reasonable cause to allow the department to waive the penalty.

FINDING

The taxpayer's protest is denied.